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COUNSEL/PARTIES OF RECORD	
OCT 15 2015	
CLERK US DISTRICT COURT DISTRICT OF NEVADA	
BY: _____	DEPUTY _____

# UNITED STATES DISTRICT COURT

## DISTRICT OF NEVADA

### LAS VEGAS DIVISION

SECURITIES AND EXCHANGE  
 COMMISSION,

Plaintiff,

v.

STEVE CHEN, USFIA, INC.,  
 ALLIANCE FINANCIAL GROUP,  
 INC., AMAUCTION, INC.,  
 ABORELL MGMT I, LLC,  
 ABORELL ADVISORS I, LLC,  
 ABORELL REIT II, LLC, AHOME  
 REAL ESTATE, LLC, ALLIANCE  
 NGN, INC., APOLLO REIT I, INC.,  
 APOLLO REIT II, LLC, AMKEY,  
 INC., US CHINA CONSULTATION  
 ASSOCIATION, and QUAIL RANCH  
 GOLF COURSE, LLC,

Defendants.

Case No.

**NOTICE OF APPOINTMENT OF  
 RECEIVER (28 U.S.C. § 754);  
 APPLICATION FOR  
 MISCELLANEOUS CASE NUMBER**

[Central District of California Case No.  
 2:15-cv-07425-RGK-GJS]

**15-MS-72**

ORIGINAL

1 **TO THIS HONORABLE COURT, ALL INTERESTED PARTIES AND**  
 2 **THEIR COUNSEL OF RECORD:**

3 **PLEASE TAKE NOTICE THAT** pursuant to 28 U.S.C. § 754, receiver  
 4 Thomas Seaman (the "Receiver"), the Court-appointed permanent equity receiver  
 5 for USFIA, Inc., Alliance Financial Group, Inc., Amauction, Inc., Aborell Mgmt I,  
 6 LLC, Aborell Advisors I, LLC, Aborell REIT II, LLC, Ahome Real Estate, LLC,  
 7 Alliance NGN, Inc., Apollo REIT I, Inc., Apollo REIT II, LLC, Amkey, Inc., US  
 8 China Consultation Association, and Quail Ranch Golf Course, LLC, and their  
 9 subsidiaries and affiliates, appointed by the United States District Court for the  
 10 Central District of California in the case entitled *SEC v. CHEN, et al.*, Case No. CV-  
 11 15-07425-RGK (GJSx) (the "Enforcement Action"), hereby files copies of the  
 12 following documents in this district to provide notice of the Enforcement Action, the  
 13 Receiver's appointment, and Orders issued in the Enforcement Action:

- 14 1. A true and correct copy of the Complaint filed in the Enforcement  
 15 Action, attached hereto as Exhibit 1;
- 16 2. A true and correct copy of the Temporary Restraining Order and  
 17 Orders: (1) Freezing Assets; (2) Appointing a Receiver; (3) Prohibiting  
 18 the Destruction of Documents (4) Granting Expedited Discovery; and  
 19 (5) Requiring Accountings; and Order To Show Cause Why A  
 20 Preliminary Injunction Should Not Be Granted entered in the  
 21 Enforcement Action, attached hereto as Exhibit 2; and
- 22 3. A true and correct copy of the Preliminary Injunction and Orders:  
 23 (1) Freezing Assets; (2) Appointing a Permanent Receiver;  
 24 (3) Prohibiting the Destruction of Documents; and (4) Requiring  
 25 Accountings entered in the Enforcement Action, attached hereto as  
 26 Exhibit 3.

1 Based on the above, the Receiver hereby applies for a Miscellaneous Case  
2 Number.

3  
4 Dated: October 13, 2015

ALLEN MATKINS LECK GAMBLE  
MALLORY & NATSIS LLP

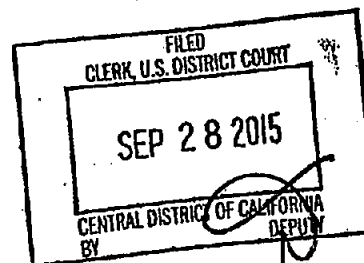
5  
6 By: 

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**UNITED STATES DISTRICT COURT  
 CENTRAL DISTRICT OF CALIFORNIA**

**SECURITIES AND EXCHANGE  
 COMMISSION,**

**Plaintiff,**

**vs.**

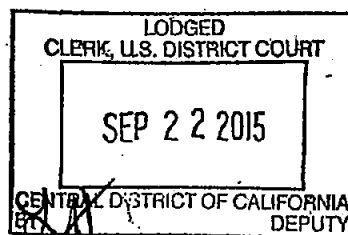
**STEVE CHEN, USFIA, INC.,  
 ALLIANCE FINANCIAL GROUP,  
 INC., AMAUCTION, INC.,  
 ABORELL MGMT I, LLC,  
 ABORELL ADVISORS I, LLC,  
 ABORELL REIT II, LLC, AHOME  
 REAL ESTATE, LLC, ALLIANCE  
 NGN, INC., APOLLO REIT I, INC.,  
 APOLLO REIT II, LLC, AMKEY,  
 INC., US CHINA CONSULTATION  
 ASSOCIATION, and QUAIL RANCH  
 GOLF COURSE, LLC**

**Defendants.**

Case No. **CV 15-07425** RGK (GJS)

**COMPLAINT**

**(FILED UNDER SEAL)**



Plaintiff Securities and Exchange Commission (the "SEC") alleges as follows:

**JURISDICTION AND VENUE**

1. This Court has jurisdiction over this action pursuant to Sections 20(b),

20(d)(1) and 22(a) of the Securities Act of 1933 ("Securities Act"), 15 U.S.C. §§ 77t(b), 77t(d)(1) and 77v(a), and Sections 21(d)(1), 21(d)(3)(A), 21(e) and 27 of the Securities Exchange Act of 1934 ("Exchange Act"), 15 U.S.C. §§ 78u(d)(1), 78u(d)(3)(A), 78u(e), and 78aa.

2. Defendants have, directly or indirectly, made use of the means or instrumentalities of interstate commerce or of the mails, in connection with the transactions, acts, practices and courses of business alleged in this Complaint.

3. Venue is proper in this district pursuant to Section 22(a) of the Securities Act, 15 U.S.C. § 77v(a), and Section 27 of the Exchange Act, 15 U.S.C. § 78aa, because certain of the transactions, acts, practices and courses of conduct constituting violations of the federal securities laws occurred within this district. In addition, venue is proper in this district because all defendants reside and transact business in this district.

#### SUMMARY

4. This is an action brought to halt an ongoing securities offering fraud perpetrated by defendant Steve Chen, and various purported business entities that he operates and controls including defendants US Fine Investment Arts, Inc. ("USFIA"), Alliance Financial Group, Inc. ("AFG"), Amauction, Inc., Aborell Mgmt I, LLC, Aborell Advisors I, LLC, Aborell REIT II, LLC, Ahome Real Estate, LLC, Alliance NGN, Inc., Apollo REIT I, Inc. Apollo REIT II, LLC, Amkey, Inc., US China Consultation Association ("USCCA"), and Quail Ranch Golf Course, LLC. All of these entities are co-located in an office building owned by one of Chen's business entities, Apollo REIT II, LLC, located in Arcadia, California.

5. According to its website, [www.usfiainc.com](http://www.usfiainc.com), USFIA is a subsidiary of and founded by US China Consultation Association ("USCCA"), which is purportedly a joint venture between the United States and Chinese governments. Beginning in approximately April 2013, Chen and USFIA began to raise, and have continued to raise, significant funds from investors, totaling approximately \$32

1 million. Among other false and misleading representations made by Chen, or by  
2 others acting at his direction, to investors to cause them to invest in USFIA, Chen has  
3 claimed that USFIA owns several large mines, including amber mines in the  
4 Dominican Republic and Argentina; that an investment in USFIA was guaranteed to  
5 increase in value sixty four times over a very short period; that USFIA was going to  
6 conduct an initial public offering ("IPO") in the near future, and that investors would  
7 receive or be entitled to receive pre-IPO shares in USFIA that would increase in value  
8 once the company went public. No IPO ever took place. Later, in approximately  
9 September 2014, investors were told that instead of cash or shares, they would  
10 receive a cryptocurrency known as "Gemcoins" in exchange for their investment in  
11 USFIA, which would greatly increase in value.

12 6. In fact, Chen, through his various business entities, is operating nothing  
13 more than a pyramid scheme, where investors are encouraged to build out a network  
14 of downstream investors and are compensated on their ability to do so. The USFIA  
15 amber-mining investments that Chen and his related business entities sold to  
16 investors, with the prospect of receiving pre-IPO shares, as well the Gemcoin offering  
17 ~~constitute~~offerings constitute securities under the federal securities laws.

18 7. In offering and selling these securities to U.S. investors, Defendants,  
19 acting with scienter, made material misrepresentations and omissions as to the value  
20 of those securities and uses of investors' monies. By this conduct, Defendants have  
21 violated and are violating the antifraud provisions of Section 17(a) of the Securities  
22 Act, 15 U.S.C. § 77q, and Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and  
23 Rule 10b-5 thereunder.

24 8. Defendants offered and sold these securities to U.S. investors in  
25 unregistered transactions, with no available exemption from registration. In doing so,  
26 Defendants have violated and are violating the registration provisions of Sections 5(a)  
27 and 5(c) of the Securities Act, 15 U.S.C. § 77f.

28 9. In the face of growing investor unrest, and negative publicity in the

1 press, Chen was interviewed by the Arcadia Police Department on September 15,  
2 2015, regarding his operation of USFIA. Immediately after that interview, Chen  
3 attempted to wire \$7.5 million out of USFIA's bank account at Bank of America to a  
4 bank in the Peoples Republic of China. The wire was broken down into two parts,  
5 and \$3.5 million was sent abroad, while the remainder is still held by the bank.

6 10. In light of the Defendants' ongoing conduct, and Chen's recent efforts  
7 to move investor funds overseas, the SEC seeks a temporary restraining order and  
8 preliminary and permanent injunctions prohibiting future such violations and  
9 prohibiting Defendants from soliciting, accepting or depositing any investor monies;  
10 an order freezing Defendants' assets, appointing a temporary receiver, providing for  
11 expedited discovery, requiring preservation of documents, and ordering an  
12 accounting; and disgorgement of Defendants' ill-gotten gains, prejudgment interest,  
13 and civil penalties.

#### 14 THE DEFENDANTS

15 11. **Steve Chen.** Steve Chen is a resident of Arcadia, California.

16 12. **USFIA, Inc.** USFIA, Inc. is an active California corporation located at  
17 135 East Live Oak Avenue in Arcadia, California. Steve Chen is its registered agent  
18 and its sole principal.

19 13. **Alliance Financial Group, Inc.** Alliance Financial Group, Inc. is a  
20 California corporation located at 135 East Live Oak Avenue in Arcadia, California.  
21 Promotional materials describe it as the holding company for the various entities  
22 owned by Steve Chen.

23 14. **Amauction, Inc.** Amauction, Inc. is an active California corporation  
24 located at 135 East Live Oak Avenue in Arcadia, California. Steve Chen is its  
25 registered agent and its sole principal.

26 15. **Aborell Mgmt I, LLC.** Aborell Mgmt I, LLC is an active California  
27 limited liability company located at 135 East Live Oak Avenue in Arcadia,  
28 California. Steve Chen is its registered agent and its sole manager.



1           **16. Aborell Advisors I, LLC.** Aborell Advisors I, LLC is an active  
2 California limited liability company located at 135 East Live Oak Avenue in Arcadia,  
3 California. Steve Chen is its registered agent and its sole manager.

4           **17. Aborell REIT II, LLC.** Aborell REIT II LLC is an active California  
5 limited liability company located at 135 East Live Oak Avenue in Arcadia,  
6 California. Steve Chen is its registered agent.

7           **18. Ahome Real Estate, LLC.** Ahome Real Estate, LLC is a California  
8 limited liability company located at 135 East Live Oak Avenue in Arcadia,  
9 California. Steve Chen is its registered agent and its sole principal. It purports to be  
10 in the business of real estate and gemstone investments.

11           **19. Alliance NGN, Inc.** Alliance NGN, Inc. is an active California  
12 corporation located at 135 East Live Oak Avenue in Arcadia, California. Steve Chen  
13 is its registered agent and its sole principal.

14           **20. Apollo REIT I, Inc.** Apollo REIT I, Inc. was a California corporation  
15 located at 12801 Schabarum Avenue in Irwindale, California. Steve Chen was its  
16 registered agent and its principal.

17           **21. Apollo REIT II, LLC.** Apollo REIT II is a California limited liability  
18 company located at 12801 Schabarum Avenue in Irwindale, California. Steve Chen  
19 is identified as its General Partner and 50% owner on a loan application it submitted  
20 to JPMorgan Chase in 2011

21           **22. Amkey, Inc.** Amkey, Inc. is an active California corporation located at  
22 135 East Live Oak Avenue in Arcadia, California. Steve Chen is its registered agent  
23 and its sole principal.

24           **23. US China Consultation Association.** US China Consultation  
25 Association is an active California corporation located at 135 East Live Oak Avenue  
26 in Arcadia, California. Steve Chen is its registered agent and its sole principal.

27           **24. Quail Ranch Golf Course, LLC.** Quail Ranch Golf Course LLC is a  
28 California limited liability company located at 135 East Live Oak Avenue in Arcadia,

1 California. Steve Chen is its registered agent.

2 **THE FRAUDULENT SCHEME**

3 **A. USFIA Initial Offering Materials**

4 25. The USFIA is physically located in Arcadia, California, and its offerings  
5 were made, using the facilities of interstate commerce, to investors located in the  
6 United States, as well as overseas. Investor funds were received by USFIA in the  
7 United States and those funds were maintained in U.S. bank accounts.

8 26. USFIA's website is registered to Steve Chen and AFG. Investors in  
9 USFIA received units of ownership in USFIA. Chen represented that these units  
10 would be convertible to USFIA common stock, on a 1:1 basis, when USFIA went  
11 public. Chen also told investors that when USFIA went public, its common stock  
12 would not be worth less than \$20 per share. USFIA identified the units as "points" in  
13 the investor accounts it maintained on its computer system.

14 27. In addition to receiving units or points in USFIA, investors also typically  
15 received an amount of amber, purportedly equal to 30% of their investment. USFIA  
16 did sent the amber to investors, but upon obtaining appraisals of the amber, investors  
17 learned that the amber was practically worthless.

18 28. USFIA also represented that it had an extensive bonus and award system  
19 to encourage investors to recruit additional investors. As set forth in its written  
20 investor "Compensation Program," investors could choose from five different  
21 "packages" ranging in amounts of \$1,000, \$2,000, \$5,000, \$10,000 and \$30,000.  
22 Depending on the type of package purchased by a downstream investor, the  
23 recommending investor would receive a 10% "Recommendation Award," and an  
24 additional "binary" reward based on sales of an investor's downline investors.  
25 Investors would also receive a "Recurring Bonus" generated by different  
26 "generations" of downstream investors, ranging from 5% to 20%. USFIA's materials  
27 also represented that investors would receive minimum monthly income depending  
28 on how many teams of investors the investor managed. USFIA's materials also

1 provided for other rewards, including a travel reward, a car reward (a BMW or  
2 Mercedes Benz), and a house reward (for a house at the Quail Ranch Golf Course).

3 **B. The "Gemcoin" Offering**

4 29. Beginning on or about September 1, 2014, Chen's and USFIA's  
5 investors were told that instead of receiving IPO shares in exchange for their units in  
6 USFIA, they would be required to convert their units or points into "Gemcoins,"  
7 some type of virtual currency which was to be issued by USFIA, and allegedly  
8 secured by USFIA's amber mines in the Dominican Republic and Argentina. Chen  
9 told investors that the conversion from USFIA units to Gemcoins was necessitated by  
10 a change in U.S. government policy. According to Chen, this change also caused a  
11 delay in the promised USFIA IPO by about two years, but when USFIA finally went  
12 public investors would be able to use their Gemcoins to purchase USFIA stock.

13 **C. Defendants' Misrepresentations and Omissions to Investors**

14 30. In connection with Chen's "Gemcoin" offering, Chen, through the  
15 USFIA website, and through secondary websites that link to websites Chen  
16 controlled, made the following outlandish statements designed to encourage investors  
17 to invest in Gemcoins, which on information and belief, the SEC believes to be false:

- 18 • Gemcoin is growing exponentially and there are millions of Gemcoin  
19 users around the world today;
- 20 • Gemcoin's value is backed by Alliance Financial Group's mines around  
21 the world;
- 22 • Gemcoin is issued by USFIA Currency Fund, "a multinational  
23 corporation" in California that is owned, supported and backed by AFG;
- 24 • AFG is involved in the processing of world class jewelry, REITs,  
25 biotech, information technology, and the aerospace industry;
- 26 • AFG has more than \$50 billion in assets worldwide and more than 2,000  
27 business associates; and
- 28 • AFG owns the unique Copper Pectolite mines and Rhodochrosite mines

1 in Argentina and El Valle mines in the Dominican Republic, where its  
2 30,000 square foot mine produces 2/3 of the world's high-quality amber.

3 31. In addition, through the USFIA website, and through secondary websites  
4 that link to websites Chen controlled, made the following material misrepresentations  
5 designed to encourage investors to invest in Gemcoins:

- 6 • the use of Gemcoin as a virtual currency has been legalized by the State  
7 of California;
- 8 • Gemcoin is backed by \$15 billion in assets and that there is "zero"  
9 chance of devaluation because Gemcoins are backed by their equivalent  
10 in precious stones; and
- 11 • that 2000 ATM platforms exist for converting Gemcoins into paper  
12 money.

13 32. In addition to these Internet-based misrepresentations, Chen, and others  
14 acting on his behalf, made numerous oral representations to investors that were  
15 equally incredible, and on information and belief the SEC believes are false,  
16 including the following:

- 17 • that USFIA would open 3000 coffee shops in the next three years;
- 18 • that USFIA owned 70% of the amber mines in the Dominican Republic;
- 19 • that investors would receive amber equal in value to 30% of their  
20 investment principal, in addition to units in USFIA, in exchange for their  
21 investments;
- 22 • that Steve Chen founded China Unicom, had been an undersecretary to  
23 the Secretary of States of the People Republic of China, and that the  
24 USCCA reported to both the presidents of the United States and the  
25 PRC; and
- 26 • that units in USFIA would increase exponentially every two months,  
27 such that 10,000 units would become 100,000 units in two months, and  
28 would double every two months after that.

1 *Id.* ¶¶ 23, 34, 41-42, 45-46, 54, 86.

2 33. In addition, Chen, and others acting on his behalf, made numerous oral  
3 misrepresentations to investors designed to encourage investors to invest in Gem  
4 Coins, including the following:

- 5 • the investors would be permitted to withdraw or sell their Gemcoins  
6 within 60 days on investing;
- 7 • that investors would be able to sell their Gemcoins to other investors at  
8 an online auction facility conducted on USFLA's website;
- 9 • that the price of Gemcoins would steadily increase over time;
- 10 • that the United States government has purchased 70% of the Gemcoins  
11 in circulation; and,

12 34. Defendants knew, or were reckless in not knowing, that all of the  
13 aforementioned statements and misrepresentations were false and misleading.

14 35. Each of these statements and misrepresentations were also materially  
15 misleading to investors. Indeed, USFIA never engaged in an IPO and investors have  
16 been unable to sell or auction off their Gemcoins, and their value is *de minimus*.

17 **D. Defendants' Commingling and Misuse of Investor Funds**

18 36. During the period from July 2011 through May 2015, approximately \$32  
19 million had been credited to USFIA's primary bank account at the Bank of America.  
20 Of that amount, almost \$19 million came in the form of wires, made by individuals,  
21 primarily located in Asia, from foreign banks located in Asia. Approximately \$5.7  
22 million came in the form of checks, the majority of which were drawn on U.S. banks.  
23 It does not appear from USFIA's bank records that it had any apparent revenues  
24 during the period in issue. Other amounts, both credited to and debited from  
25 USFIA's primary account at the Bank of America, consisted of transactions with  
26 corporate entities controlled by Chen, including Ahome Real Estate, Amauction,  
27 Amkey, Apollo REIT I, Apollo REIT II, and Quail Ranch Golf Course. On  
28 information and belief, all of these funds represent funds obtained from investors in

1 connection with Chen's and USFIA's securities offering as many of the wires and  
2 checks credited to USFIA's primary bank account at Bank of America were in  
3 denominations of the investment amounts promoted by USFIA.

4 37. In addition, substantial amounts were drawn out of USFIA's primary  
5 bank account to purchase luxury automobiles, entertainment, travel, and as cash  
6 withdrawals.

7 38. In the face of growing investor unrest, and negative publicity in the  
8 press, Chen was interviewed by the Arcadia Police Department on September 15,  
9 2015, regarding his operation of USFIA. Immediately after that interview, Chen  
10 attempted to wire \$7.5 million out of USFIA's bank account at Bank of America to a  
11 bank in the Peoples Republic of China. The wire was broken down into two parts,  
12 and \$3.5 million was sent abroad, while the remainder is still held by the bank.

13 **E. Defendants' Offer and Sale of Securities Without Registration or**  
14 **Exemption**

15 39. Defendants did not register with the SEC any of securities they offered  
16 or sold.

17 40. Defendants' solicitations and offerings are ongoing.

18 41. By his actions described herein, Chen was a necessary participant and a  
19 substantial factor in the offer and sale of the securities described herein.

20  
21 **FIRST CLAIM FOR RELIEF**

22 **Unregistered Offer and Sale of Securities**

23 **Violations of Section 5(a) and (c) of the Securities Act**

24 **(against all Defendants)**

25 42. The SEC realleges and incorporates by reference paragraphs 1 through 41  
26 above.

27 43. The USFIA and Gemcoin offerings that were offered and sold to U.S.  
28 customers as alleged herein constitute "securities" as defined by the Securities Act and

1 the Exchange Act.

2 44. Defendants, by engaging in the conduct described above, directly or  
3 indirectly, singly and in concert with others, made use of the means or instruments of  
4 transportation or communication in interstate commerce, or of the mails, to offer to sell  
5 or to sell securities, or carried or caused to be carried through the mails or in interstate  
6 commerce, by means or instruments of transportation, securities for the purpose of sale  
7 or for delivery after sale, when no registration statement had been filed or was in effect  
8 as to such securities, and when no exemption from registration was applicable.

9 45. By engaging in the conduct described above, Defendants violated, and  
10 unless restrained and enjoined, will continue to violate, Section 5(a) and (c) of the  
11 Securities Act, 15 U.S.C. §§ 77e.

12 **SECOND CLAIM FOR RELIEF**

13 **Fraud in the Offer or Sale of Securities**

14 **Violations of Section 17(a) of the Securities Act**

15 **(against all Defendants)**

16 46. The SEC realleges and incorporates by reference paragraphs 1 through  
17 41 above.

18 47. Defendants, and each of them, by engaging in the conduct described  
19 above, directly or indirectly, in the offer or sale of securities by the use of means or  
20 instruments of transportation or communication in interstate commerce or by use of  
21 the mails:

- 22 (a) with scienter, employed devices, schemes, or artifices to defraud;  
23 (b) obtained money or property by means of untrue statements of a  
24 material fact or by omitting to state a material fact necessary in  
25 order to make the statements made, in light of the circumstances  
26 under which they were made, not misleading; or  
27 (c) engaged in transactions, practices, or courses of business which  
28 operated or would operate as a fraud or deceit upon the purchaser.

48. By engaging in the conduct described above, Defendants violated, and unless restrained and enjoined, will continue to violate, Section 17(a) of the Securities Act, 15 U.S.C. § 77q(a).

**THIRD CLAIM FOR RELIEF**

**Fraud in Connection with the Purchase or Sale of Securities  
Violations of Section 10(b) of the Exchange Act and Rule 10b-5  
(against all Defendants)**

49. The SEC realleges and incorporates by reference paragraphs 1 through 41 above.

50. Defendants, by engaging in the conduct described above, directly or indirectly, in connection with the purchase or sale of a security, by the use of means or instrumentalities or interstate commerce, of the mails, or of the facilities of a national securities exchange, with scienter:

(a) employed devices, schemes, or artifices to defraud;

(b) made untrue statements of a material fact or omitted to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; or

(c) engaged in acts, practices or courses of business which operated or would operate as a fraud or deceit upon other persons.

51. By engaging in the conduct described above, Defendants violated, and unless restrained and enjoined, will continue to violate, Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5 thereunder, 17 C.F.R. § 240.10b-5.

**PRAYER FOR RELIEF**

WHEREFORE, the SEC respectfully requests that the Court:

**I.**

Issue findings of fact and conclusions of law that Defendants committed the alleged violations.



1 II.

2 Issue orders, in a form consistent with Fed. R. Civ. P. 65(d), temporarily,  
3 preliminarily and permanently enjoining Defendants and their agents, servants,  
4 employees, and attorneys, and those persons in active concert or participation with  
5 any of them, who receive actual notice of the judgment by personal service or  
6 otherwise, and each of them, from violating Section 5(a) and (c) and Section 17(a) of  
7 the Securities Act, 15 U.S.C. §§ 77e(a), 77e(c), and 77q(a) and Section 10(b) of the  
8 Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5 thereunder, 17 C.F.R. §§ 240.10b-  
9 5.

10 III.

11 Issue orders, in a form consistent with Fed. R. Civ. P. 65(d), temporarily,  
12 preliminarily and permanently enjoining Defendants and their agents, servants,  
13 employees, and attorneys, and those persons in active concert or participation with  
14 any of them, who receive actual notice of the judgment by personal service or  
15 otherwise, and each of them, from soliciting, accepting, or depositing any monies  
16 from actual or prospective investors in connection with any offering of securities  
17 pursuant to Section 20(b) of the Securities Act and Section 21(d) of the Exchange  
18 Act.

19 IV.

20 Issue in a form consistent with Fed. R. Civ. P. 65, a temporary restraining order  
21 and a preliminary injunction freezing the assets of Defendants Steven Chen,  
22 defendants US Fine Investment Arts ("USFIA"), Alliance Financial Group, Inc.  
23 ("AFG"), US China Consultation Association ("USCCA"), Amauction, Inc., Aborell  
24 REIT I, LLC, Aborell REIT II, LLC, Ahome Real Estate, LLC, Alliance NGN,  
25 Apollo REIT I, Apollo REIT II, LLC, Amkey, Inc., and Quail Ranch Golf Club,  
26 LLC.; prohibiting each of the Defendants from destroying documents; and ordering  
27 accountings by each of the Defendants; and appointing a receiver over defendants US  
28 Fine Investment Arts ("USFIA"), Alliance Financial Group, Inc. ("AFG"), US China

1 Consultation Association ("USCCA"), Amauction, Inc., Aborell REIT I, LLC,  
2 Aborell REIT II, LLC, Ahome Real Estate, LLC, Alliance NGN, Apollo REIT I,  
3 Apollo REIT II, LLC, Amkey, Inc., and Quail Ranch Golf Club, LLC.

4 V.

5 Order Defendants to disgorge all ill-gotten gains from their illegal conduct,  
6 together with prejudgment interest thereon.

7 VI.

8 Order Defendants to pay civil penalties under Section 20(d) of the Securities  
9 Act, 15 U.S.C. § 77t(d), and Section 21(d)(3) of the Exchange Act, 15 U.S.C. §  
10 78u(d)(3).

11 VII.

12 Retain jurisdiction of this action in accordance with the principles of equity and  
13 the Federal Rules of Civil Procedure in order to implement and carry out the terms of  
14 all orders and decrees that may be entered, or to entertain any suitable application or  
15 motion for additional relief within the jurisdiction of this Court.

16 VIII.

17 Grant such other and further relief as this Court may determine to be just and  
18 necessary.

19  
20 Dated: September 22, 2015

Respectfully submitted,

21 /s/ Donald W. Searles

22 Donald W. Searles

23 Peter Del Greco

24 Attorneys for Plaintiff

25 Securities and Exchange Commission  
26  
27  
28



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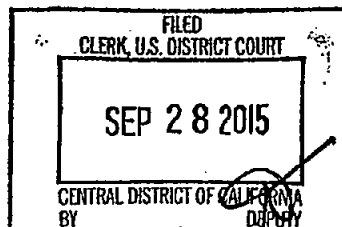
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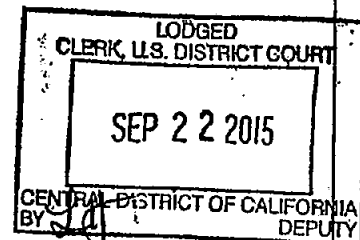
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UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA



SECURITIES AND EXCHANGE  
COMMISSION,

Plaintiff,

vs.

STEVE CHEN, USFIA, INC.,  
ALLIANCE FINANCIAL GROUP,  
INC., AMAUCTION, INC.,  
ABORELL MGMT I, LLC,  
ABORELL ADVISORS I, LLC,  
ABORELL REIT II, LLC, AHOME  
REAL ESTATE, LLC, ALLIANCE  
NGN, INC., APOLLO REIT I, INC.,  
APOLLO REIT II, LLC, AMKEY,  
INC., US CHINA CONSULTATION  
ASSOCIATION, and QUAIL RANCH  
GOLF COURSE, LLC

Defendants.

Case No. **CV 15-07425 RGK(GJS)**

**PROPOSED TEMPORARY  
RESTRAINING ORDER AND  
ORDERS: (1) FREEZING ASSETS; (2)  
APPOINTING A RECEIVER; (3)  
PROHIBITING THE DESTRUCTION  
OF DOCUMENTS; (4) GRANTING  
EXPEDITED DISCOVERY; AND (5)  
REQUIRING ACCOUNTINGS; AND  
ORDER TO SHOW CAUSE WHY A  
PRELIMINARY INJUNCTION  
SHOULD NOT BE GRANTED**

**(FILED UNDER SEAL)**

This matter came before the Court upon the *Ex Parte* Application for a  
Temporary Restraining Order and Order to Show Cause Why a Preliminary  
Injunction Should Not Be Granted (the "TRO Application") filed by Plaintiff

1 Securities and Exchange Commission ("SEC").

2 The Court, having considered the SEC's Complaint, the TRO Application, the  
3 supporting Memorandum of Points and Authorities, the supporting declarations and  
4 exhibits, and the other evidence and argument presented to the Court, finds that:

5 A. This Court has jurisdiction over the parties to, and the subject matter of,  
6 this action.

7 B. Good cause exists to believe that:

8 (1) Defendants Steven Chen, USFIA, Inc., Alliance Financial Group,  
9 Inc., Amauction, Inc., Aborell Mgmt I, LLC, Aborell Advisors I,  
10 LLC, Aborell REIT II, LLC, Ahome Real Estate, LLC, Alliance  
11 NGN, Inc., Apollo REIT I, Inc., Apollo REIT II, LLC, Amkey,  
12 Inc., US China Consultation Association, and Quail Ranch Golf  
13 Club, LLC, and each of them, have engaged in, are engaging in,  
14 and are about to engage in transactions, acts, practices and courses  
15 of business that constitute violations of Sections 5(a) and 5(c) of  
16 the Securities Act of 1933 (15 U.S.C. §§ 77e(a), 77e(c)); and

17 (2) Defendants Steven Chen, USFIA, Inc., Alliance Financial Group,  
18 Inc., Amauction, Inc., Aborell Mgmt I, LLC, Aborell Advisors I,  
19 LLC, Aborell REIT II, LLC, Ahome Real Estate, LLC, Alliance  
20 NGN, Inc., Apollo REIT I, Inc., Apollo REIT II, LLC, Amkey,  
21 Inc., US China Consultation Association, and Quail Ranch Golf  
22 Club, LLC, and each of them, have engaged in, are engaging in,  
23 and are about to engage in transactions, acts, practices and courses  
24 of business that constitute violations of Section 17(a) of the  
25 Securities Act (15 U.S.C. § 77q(a)) and Section 10(b) of the  
26 Securities Exchange Act of 1934 (15 U.S.C. § 78j(b)) and Rule  
27 10b-5 thereunder (17 C.F.R. § 240.10b-5).

1 C. The SEC has demonstrated (1) a prima facie case that one or more  
2 violations of the securities laws have occurred and (2) a reasonable  
3 likelihood that the violations will be repeated.

4 D. It is appropriate and the interests of justice require that the SEC's TRO  
5 Application be granted without notice to Defendants as the SEC has set  
6 forth in its Application the reasons supporting its claim that notice should  
7 not be required, and it appears from specific facts shown by the  
8 declarations filed by the SEC that immediate and irreparable injury, loss  
9 or damage will result if notice is given to Defendants.

10 I.

11 IT IS HEREBY ORDERED that the SEC's application for a Temporary  
12 Restraining Order and Order To Show Cause Why a Preliminary Injunction Should  
13 Not Be Granted against Defendants Steven Chen, USFIA, Inc., Alliance Financial  
14 Group, Inc., Amauction, Inc., Aborell Mgmt I, LLC, Aborell Advisors I, LLC,  
15 Aborell REIT II, LLC, Ahome Real Estate, LLC, Alliance NGN, Inc., Apollo REIT I,  
16 Inc., Apollo REIT II, LLC, Amkey, Inc., US China Consultation Association, and  
17 Quail Ranch Golf Club, LLC, is GRANTED.

18 II.

19 IT IS FURTHER ORDERED that Defendants Steven Chen, USFIA, Inc.,  
20 Alliance Financial Group, Inc., Amauction, Inc., Aborell Mgmt I, LLC, Aborell  
21 Advisors I, LLC, Aborell REIT II, LLC, Ahome Real Estate, LLC, Alliance NGN,  
22 Inc., Apollo REIT I, Inc., Apollo REIT II, LLC, Amkey, Inc., US China Consultation  
23 Association, and Quail Ranch Golf Club, LLC. and their officers, agents, servants,  
24 employees, attorneys, subsidiaries and affiliates, and those persons in active concert  
25 or participation with any of them who receive actual notice of this Order, by personal  
26 service or otherwise, and each of them, be and hereby are temporarily restrained and  
27 enjoined from, directly or indirectly, in the absence of any applicable exemption:

28

- 1 A. unless a registration statement is in effect as to a security, making use of  
2 any means or instruments of transportation or communication in  
3 interstate commerce or of the mails to sell such security through the use  
4 or medium of any prospectus or otherwise;
- 5 B. unless a registration statement is in effect as to a security, carrying or  
6 causing to be carried through the mails or in interstate commerce, by any  
7 means or instruments of transportation, any such security for the purpose  
8 of sale or for delivery after sale; or
- 9 C. making use of any means or instruments of transportation or  
10 communication in interstate commerce or of the mails to offer to sell or  
11 offer to buy through the use or medium of any prospectus or otherwise  
12 any security, unless a registration statement has been filed with the SEC  
13 as to such security, or while the registration statement is the subject of a  
14 refusal order or stop order or (prior to the effective date of the  
15 registration statement) any public proceeding or examination under  
16 Section 8 of the Securities Act, 15 U.S.C. § 77h in violation of Section 5  
17 of the Securities Act, 15 U.S.C. § 77e.

18 **III.**

19 IT IS FURTHER ORDERED that Defendants Steven Chen, USFIA, Inc.,  
20 Alliance Financial Group, Inc., Amauction, Inc., Aborell Mgmt I, LLC, Aborell  
21 Advisors I, LLC, Aborell REIT II, LLC, Ahome Real Estate, LLC, Alliance NGN,  
22 Inc., Apollo REIT I, Inc., Apollo REIT II, LLC, Amkey, Inc., US China Consultation  
23 Association, and Quail Ranch Golf Club, LLC, and their officers, agents, servants,  
24 employees, attorneys, subsidiaries and affiliates, and those persons in active concert or  
25 participation with any of them, who receive actual notice of this Order, by personal  
26 service or otherwise, and each of them, be and hereby are temporarily restrained and  
27 enjoined from, directly or indirectly, in the offer or sale of any securities, by the use of

1 any means or instruments of transportation or communication in interstate commerce  
2 or by the use of the mails:

- 3 A. employing any device, scheme or artifice to defraud;
- 4 B. obtaining money or property by means of any untrue statement of a  
5 material fact or any omission to state a material fact necessary in order to  
6 make the statements made, in light of the circumstances under which  
7 they were made, not misleading; or
- 8 C. engaging in any transaction, practice, or course of business which  
9 operates or would operate as a fraud or deceit upon the purchaser;
- 10 in violation of Section 17(a) of the Securities Act, 15 U.S.C. § 77q(a).

11 IV.

12 IT IS FURTHER ORDERED that Defendants Steven Chen, USFIA, Inc.,  
13 Alliance Financial Group, Inc., Amauction, Inc., Aborell Mgmt I, LLC, Aborell  
14 Advisors I, LLC, Aborell REIT II, LLC, Ahome Real Estate, LLC, Alliance NGN,  
15 Inc., Apollo REIT I, Inc., Apollo REIT II, LLC, Amkey, Inc., US China Consultation  
16 Association, and Quail Ranch Golf Club, LLC, and their officers, agents, servants,  
17 employees, attorneys, subsidiaries and affiliates, and those persons in active concert  
18 or participation with any of them, who receive actual notice of this Order, by personal  
19 service or otherwise, and each of them, be and hereby are temporarily restrained and  
20 enjoined from, directly or indirectly, in connection with the purchase or sale of any  
21 security, by the use of any means or instrumentality of interstate commerce, or of the  
22 mails, or of any facility of any national securities exchange:

- 23 A. employing any device, scheme or artifice to defraud;
- 24 B. making any untrue statement of a material fact or omitting to state a  
25 material fact necessary in order to make the statements made, in the light  
26 of the circumstances under which they were made, not misleading; or
- 27 C. engaging in any act, practice, or course of business which operates or  
28 would operate as a fraud or deceit upon any person;



1 in violation of Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5  
2 thereunder, 17 C.F.R. § 240.10b-5.

3 V.

4 IT IS HEREBY FURTHER ORDERED that defendants Steven Chen, USFIA,  
5 Inc., Alliance Financial Group, Inc., Amauction, Inc., Aborell Mgmt I, LLC, Aborell  
6 Advisors I, LLC, Aborell REIT II, LLC, Ahome Real Estate, LLC, Alliance NGN,  
7 Inc., Apollo REIT I, Inc., Apollo REIT II, LLC, Amkey, Inc., US China Consultation  
8 Association, and Quail Ranch Golf Club, LLC, and each of their agents, servants,  
9 employees and attorneys and those persons in active concert or participation with  
10 them who receive actual notice of this Order by personal service or otherwise,  
11 including facsimile transmission, electronic mail, or overnight delivery service, are  
12 hereby prohibited from soliciting, accepting, or depositing any monies from actual or  
13 prospective investors in connection with any offering of securities.

14 VI.

15 IT IS FURTHER ORDERED that, except as otherwise ordered by this Court,  
16 Defendants Steven Chen, USFIA, Inc., Alliance Financial Group, Inc., Amauction,  
17 Inc., Aborell Mgmt I, LLC, Aborell Advisors I, LLC, Aborell REIT II, LLC, Ahome  
18 Real Estate, LLC, Alliance NGN, Inc., Apollo REIT I, Inc., Apollo REIT II, LLC,  
19 Amkey, Inc., US China Consultation Association, and Quail Ranch Golf Club, LLC,  
20 and their officers, agents, servants, employees, attorneys, subsidiaries and affiliate,  
21 and those persons in active concert with them, who receive actual notice of this  
22 Order, by personal service or otherwise, and each of them, be and hereby are  
23 temporarily restrained and enjoined from, directly or indirectly, transferring,  
24 assigning, selling, hypothecating, changing, wasting, dissipating, converting,  
25 concealing, encumbering, or otherwise disposing of, in any manner, any funds, assets,  
26 securities, claims or other real or personal property, including any notes or deeds of  
27 trust or other interest in real property, wherever located, of any one of the

28 Defendants, or their subsidiaries or affiliates, owned by, controlled by, managed by or

1 in the possession or custody of any of them and from transferring, encumbering  
2 dissipating, incurring charges or cash advances on any debit or credit card of the  
3 credit arrangement of any one of the Defendants, or their subsidiaries and affiliates.

4 **VII.**

5 IT IS FURTHER ORDERED that, except as otherwise ordered by this Court,  
6 an immediate freeze shall be placed on all monies and assets (with an allowance for  
7 necessary and reasonable living expenses to be granted only upon good cause shown  
8 by application to the Court with notice to and an opportunity for the SEC to be heard)  
9 in all accounts at any bank, financial institution or brokerage firm, or Internet or "e-  
10 commerce" payment processor, all certificates of deposit, and other funds or assets,  
11 held in the name of, for the benefit of, or over which account authority is held by  
12 Defendants Steven Chen, USFIA, Inc., Alliance Financial Group, Inc., Amauction,  
13 Inc., Aborell Mgmt I, LLC, Aborell Advisors I, LLC, Aborell REIT II, LLC, Ahome  
14 Real Estate, LLC, Alliance NGN, Inc., Apollo REIT I, Inc., Apollo REIT II, LLC,  
15 Amkey, Inc., US China Consultation Association, and Quail Ranch Golf Club, LLC,  
16 including but not limited to the accounts listed below:

17 Bank Name	Account Name	Account Number
18 Bank of	USFIA, Inc.	XXXX-
19 America		XXXX-0123
20 Bank of	USFIA, Inc.	XXXX-
21 America		XXXX-7578
22 Bank of	USFIA, Inc.	XXXX-
23 America		XXXX-5882
24 Bank of	USFIA, Inc.	XXXX-
25 America		XXXX-6182
26		
27		

Bank Name	Account Name	Account Number
East West Bank	USFIA, Inc.	XX-XXXX7483
Bank of America	Steve Chen & Luyang Li	XXXX-XXXX-1550
Bank of America	Steve Chen & Luyang Li	XXXX-XXXX-7776
Far East National Bank	Li Chen a/k/a/ Steve Chen	XXXXXX5058
Chase Bank	Steve Chen	XXXXXX7818
Chase Bank	Wei He or Li Chen	XXXXXXX1716
Bank of America	Amauction, Inc.	XXXX-XXXX-7980
National Bank of California	Amauction, Inc.	XXX-XX1158
East West Bank	Amauction, Inc.	XX-XXXX8019
Bank of America	Ahome Real Estate, LLC	XXXX-XXXX-7811
Bank of America	Ahome Real Estate, LLC	XXXX-XXXX-9668
Bank of America	Amkey, Inc.	XXXX-XXXX-7970

Bank Name	Account Name	Account Number
Bank of America	Amkey, Inc.	XXXX-XXXX-8413
Bank of America	Amkey, Inc.	XXXX-XXXX-8465
Bank of America	Amkey, Inc.	XXXX-XXXX-8517
National Bank of California	Amkey, Inc.	XXX3589
Far East National Bank	Amkey, Inc.	XXXXXX0567
Bank of America	Aborell REIT II, LLC	XXXX-XXXX-3578
JPMorgan Chase	Aborell REIT II, LLC	XXX-XX7101
Bank of America	Aborell Management I, LLC	XXXX-XXXX-3688
Bank of America	Aborell Advisors I, LLC	XXXX-XXXX-3675
Bank of America	Alliance NGN, Inc.	XXXXXX-X0450
Bank of America	Alliance NGN, Inc.	XXXX-XXXX-9564

Bank Name	Account Name	Account Number
Bank of America	Alliance NGN, Inc.	XXXXXX-X7774
Bank of America	Alliance NGN, Inc.	XXXXXX-X8089
Bank of America	Apollo REIT I	XXXX-XXXX-0222
JPMorgan Chase	Apollo REIT II, LLC	XXX-XX7768
Bank of America	US China Consultation Association	XXXX-XXXX-6580
Bank of America	US China Consultation Association	XXXX-XXXX-5788
Bank of America	Alliance Financial Group	XXXX-XXXX-0086
Bank of America	Quail Ranch Golf Club, LLC	XXXX-XXXX-8268
Bank of America	Quail Ranch Golf Club, LLC	XXXX-XXXX-8226
Bank of America	Li Chen & Li Zhao	XXXXXX-X2299
Far East National Bank	Amkey, Inc.	XXX-XX0028

Bank Name	Account Name	Account Number
First Regional Bank	Amkey, Inc.	XXX-XX0048
First Regional Bank	Amkey VOIP	XXX-XX1813
Bank of America	Aborell Investment Associates I, LLC	XXXX-XXXX-3659
Torrey Pines Bank	Aborell REIT II, LLC	XXXXX-X6620
Bank of America	Apollo Advisors I, LLC	XXXXX-X0157
Bank of America	Apollo Investors	XXXX-X3662
Bank of America	Apollo Mgmt I, LLC	XXXXX-X0171
Bank of America	Apollo REIT II, LLC	XXXXX-X0203
HSBC	Alliance NGN, Inc.	XXXXXX9610
Far East National Bank	Ammine SRL	XXX0053

### VIII.

IT IS FURTHER ORDERED that, except as otherwise ordered by this Court, each of the Defendants, and their officers, agents, servants, employees, attorneys, subsidiaries and affiliates, and those persons in active concert or participation with

1 any of them, who receive actual notice of this Order, by personal service or  
2 otherwise, and each of them, be and hereby are temporarily restrained and enjoined  
3 from, directly or indirectly: destroying, mutilating, concealing, transferring, altering,  
4 or otherwise disposing of, in any manner, any documents, which includes all books,  
5 records, computer programs, computer files, computer printouts, contracts, emails,  
6 correspondence, memoranda, brochures, or any other documents of any kind in their  
7 possession, custody or control, however created, produced, or stored (manually,  
8 mechanically, electronically, or otherwise), pertaining in any manner to Defendants  
9 Steven Chen, USFIA, Inc., Alliance Financial Group, Inc., Amauction, Inc., Aborell  
10 Mgmt I, LLC, Aborell Advisors I, LLC, Aborell REIT II, LLC, Ahome Real Estate,  
11 LLC, Alliance NGN, Inc., Apollo REIT I, Inc., Apollo REIT II, LLC, Amkey, Inc.,  
12 US China Consultation Association, and Quail Ranch Golf Club, LLC.

13 **IX.**

14 IT IS FURTHER ORDERED that Defendants Steven Chen, USFIA, Inc.,  
15 Alliance Financial Group, Inc., Amauction, Inc., Aborell Mgmt I, LLC, Aborell  
16 Advisors I, LLC, Aborell REIT II, LLC, Ahome Real Estate, LLC, Alliance NGN,  
17 Inc., Apollo REIT I, Inc., Apollo REIT II, LLC, Amkey, Inc., US China Consultation  
18 Association, and Quail Ranch Golf Club, LLC, within five days of the issuance of  
19 this Order, shall prepare and deliver to the SEC a detailed and complete schedule of  
20 all of their personal assets, including all real and personal property exceeding \$5,000  
21 in value, and all bank, securities, and other accounts identified by institution, branch  
22 address and account number. The accounting shall include a description of the  
23 sources of all such assets. Such accounting shall be filed with the Court and a copy  
24 shall be delivered to the SEC's Los Angeles Regional Office to the attention of  
25 Donald W. Searles, Trial Counsel. After completion of the accounting, each of the  
26 Defendants shall produce to the SEC's Los Angeles Regional Office, at a time  
27 agreeable to the SEC, all books, records and other documents supporting or  
28 underlying their accounting.

1 X.

2 IT IS FURTHER ORDERED that any person who receives actual notice of this  
3 Order by personal service or otherwise, and who holds, possesses or controls assets  
4 exceeding \$5,000 for the account or benefit of any one of the Defendants or the  
5 Funds, shall within 5 days of receiving actual notice of this Order provide counsel for  
6 the SEC with a written statement identifying all such assets, the value of such assets,  
7 or best approximation thereof, and any account numbers or account names in which  
8 the assets are held.

9 XI.

10 IT IS FURTHER ORDERED that Thomas Seaman is appointed as temporary  
11 receiver of Defendant USFLA, Inc., Alliance Financial Group, Inc., Amauction, Inc.,  
12 Aborell Mgmt I, LLC, Aborell Advisors I, LLC, Aborell REIT II, LLC, Ahome Real  
13 Estate, LLC, Alliance NGN, Inc., Apollo REIT I, Inc., Apollo REIT II, LLC, Amkey,  
14 Inc., US China Consultation Association, and Quail Ranch Golf Club, LLC,  
15 (collectively, the "Receivership Entities") and its subsidiaries and affiliates, with full  
16 powers of an equity receiver, including, but not limited to, full power over all funds,  
17 assets, collateral, premises (whether owned, leased, occupied, or otherwise  
18 controlled), choses in action, books, records, papers and other property belonging to,  
19 being managed by or in the possession of or control of the Receivership Entities and  
20 their subsidiaries and affiliates and that such receiver is immediately authorized,  
21 empowered and directed:

- 22 A. to have access to and to collect and take custody, control, possession,  
23 and charge of all funds, assets, collateral, premises (whether owned,  
24 leased, occupied, or otherwise controlled), choses in action, books,  
25 records, papers and other real or personal property, wherever located, of  
26 or managed by Receivership Entities and their subsidiaries and affiliates,  
27 with full power to sue, foreclose, marshal, collect, receive, and take into  
28 possession all such property (including access to and taking custody,



- 1 control, and possession of all property of the Receivership Entities  
2 property, and that of their subsidiaries and affiliates);
- 3 B. to have control of, and to be added as the sole authorized signatory for,  
4 all accounts of the entities in receivership, including all accounts at any  
5 bank, title company, escrow agent, financial institution or brokerage firm  
6 (including any futures commission merchant) which has possession,  
7 custody or control of any assets or funds of the Receivership Entities and  
8 their subsidiaries and affiliates, or which maintains accounts over which  
9 the Receivership Entities and their subsidiaries and affiliates, and/or any  
10 of its employees or agents have signatory authority;
- 11 C. to conduct such investigation and discovery as may be necessary to  
12 locate and account for all of the assets of or managed by the  
13 Receivership Entities and their subsidiaries and affiliates, and to engage  
14 and employ attorneys, accountants and other persons to assist in such  
15 investigation and discovery;
- 16 D. to take such action as is necessary and appropriate to preserve and take  
17 control of and to prevent the dissipation, concealment, or disposition of  
18 any assets of or managed by the Receivership Entities and their  
19 subsidiaries and affiliates;
- 20 E. to make an accounting, as soon as practicable, to this Court and the SEC  
21 of the assets and financial condition of the Receivership Entities, and to  
22 file the accounting with the Court and deliver copies thereof to all  
23 parties;
- 24 F. to make such payments and disbursements from the funds and assets  
25 taken into custody, control, and possession or thereafter received by him  
26 or her, and to incur, or authorize the making of, such agreements as may  
27 be necessary and advisable in discharging his or her duties as temporary  
28 receiver;

1 G. to employ attorneys, accountants, and others to investigate and, where  
2 appropriate, to institute, pursue, and prosecute all claims and causes of  
3 action of whatever kind and nature which may now or hereafter exist as  
4 a result of the activities of present or past employees or agents of the  
5 Receivership Entities and their subsidiaries and affiliates; and

6 H. to have access to and monitor all mail, electronic mail, and video phone  
7 of the entities in receivership in order to review such mail, electronic  
8 mail, and video phone which he or she deems relates to their business  
9 and the discharging of his or her duties as temporary receiver.

10 XII.

11 IT IS FURTHER ORDERED that the Receivership Entities and their officers,  
12 agents, servants, employees and attorneys, and any other persons who are in custody,  
13 possession or control of any assets, collateral, books, records, papers or other  
14 property of or managed by any of the entities in receivership, shall forthwith give  
15 access to and control of such property to the temporary receiver.

16 XIII.

17 IT IS FURTHER ORDERED U.S. Marshall's Office shall assist Mr. Seaman  
18 with the seizure of the assets of the Entity Defendants and the securing of the Entity  
19 Defendants' business premises at 135 Live Oak Avenue, in Arcadia, California.

20 XIV.

21 IT IS FURTHER ORDERED that no officer, agent, servant, employee or  
22 attorney of the Receivership Entities shall take any action or purport to take any  
23 action, in the name of or on behalf of the Receivership Entities without the written  
24 consent of the temporary receiver or order of this Court.

25 XV.

26 IT IS FURTHER ORDERED that, except by leave of this Court, during the  
27 pendency of this receivership, all clients, investors, trust beneficiaries, note holders,  
28 creditors, claimants, lessors and all other persons or entities seeking relief of any

1 kind, in law or in equity, from the Receivership Entities, or their subsidiaries or  
2 affiliates, and all persons acting on behalf of any such investor, trust beneficiary, note  
3 holder, creditor, claimant, lessor, consultant group or other person, including sheriffs,  
4 marshals, servants, agents, employees and attorneys, are hereby restrained and  
5 enjoined from, directly or indirectly, with respect to these persons and entities:

6 A. commencing, prosecuting, continuing or enforcing any suit or  
7 proceeding (other than the present action by the SEC or any other action  
8 by the government) against any of them;

9 B. using self-help or executing or issuing or causing the execution or  
10 issuance of any court attachment, subpoena, replevin, execution or other  
11 process for the purpose of impounding or taking possession of or  
12 interfering with or creating or enforcing a lien upon any property or  
13 property interests owned by or in the possession of the Receivership  
14 Entities; and

15 C. doing any act or thing whatsoever to interfere with taking control,  
16 possession or management by the temporary receiver appointed  
17 hereunder of the property and assets owned, controlled or managed by or  
18 in the possession of the Receivership Entities, or in any way to interfere  
19 with or harass the temporary receiver or his or her attorneys,  
20 accountants, employees, or agents or to interfere in any manner with the  
21 discharge of the temporary receiver's duties and responsibilities  
22 hereunder.

23 **XVI.**

24 IT IS FURTHER ORDERED that the Receivership Entities, and their  
25 subsidiaries, affiliates, officers, agents, servants, employees and attorneys, shall  
26 cooperate with and assist the temporary receiver and shall take no action, directly or  
27 indirectly, to hinder, obstruct, or otherwise interfere with the temporary receiver or  
28 his or her attorneys, accountants, employees or agents, in the conduct of the

1 temporary receiver's duties or to interfere in any manner, directly or indirectly, with  
2 the custody, possession, management, or control by the temporary receiver of the  
3 funds, assets, collateral, premises, and choses in action described above.

4 **XVII.**

5 IT IS FURTHER ORDERED that the Receivership Entities and their  
6 subsidiaries and affiliates, shall pay the costs, fees and expenses of the temporary  
7 receiver incurred in connection with the performance of his or her duties described in  
8 this Order, including the costs and expenses of those persons who may be engaged or  
9 employed by the temporary receiver to assist him or her in carrying out his or her  
10 duties and obligations. All applications for costs, fees, and expenses for services  
11 rendered in connection with the receivership other than routine and necessary  
12 business expenses in conducting the receivership, such as salaries, rent, and any and  
13 all other reasonable operating expenses, shall be made by application setting forth in  
14 reasonable detail the nature of the services and shall be heard by the Court.

15 **XVIII.**

16 IT IS FURTHER ORDERED that no bond shall be required in connection with  
17 the appointment of the temporary receiver. Except for an act of gross negligence, the  
18 temporary receiver shall not be liable for any loss or damage incurred by any of the  
19 defendants, their officers, agents, servants, employees and attorneys or any other  
20 person, by reason of any act performed or omitted to be performed by the temporary  
21 receiver in connection with the discharge of his or her duties and responsibilities.

22 **XIX.**

23 IT IS FURTHER ORDERED that representatives of the SEC and any other  
24 government agency are authorized to have continuing access to inspect or copy any  
25 or all of the corporate books and records and other documents of the Receivership  
26 Entities and continuing access to inspect their funds, property, assets and collateral,  
27 wherever located.

28 **XX.**

1 IT IS FURTHER ORDERED that the SEC's application for expedited  
2 discovery concerning Defendants, their assets and activities, is granted and that,  
3 commencing with the time and date of this Order, in lieu of the time periods, notice  
4 provisions, and other requirements of Rules 26, 30, 33, 34, 36, and 45 of the Federal  
5 Rules of Civil Procedure and the corresponding Local Rules of this Court, discovery  
6 shall proceed as follows:

7 (A) Pursuant to Rule 30(a) of the Federal Rules of Civil Procedure, the SEC  
8 may take depositions upon oral examination on two days' notice of any such  
9 deposition. Depositions may be taken Monday through Saturday. As to the  
10 Defendants and their agents, servants, promoters, employees, brokers, associates, and  
11 any person who transferred money to or received money from the bank accounts  
12 identified above, the SEC may depose such witnesses after serving a deposition  
13 notice by facsimile, hand or overnight courier upon such individuals, and without  
14 serving a subpoena on such witness. Depositions that have not been signed by the  
15 witness may be used for purposes of the hearing on the SEC's application for  
16 preliminary injunction;

17 (B) Pursuant to Rule 33(a) of the Federal Rules of Civil Procedure, each  
18 Defendant shall answer the SEC's interrogatories within three days of service of such  
19 interrogatories upon each Defendant;

20 (C) Pursuant to Rule 34(b) of the Federal Rules of Civil Procedure, each  
21 Defendant shall produce all documents requested by the SEC within three days of  
22 service of such request, with production of the documents made to Donald W.  
23 Searles, U.S. Securities and Exchange Commission, 444 S. Flower Street, Suite 900,  
24 Los Angeles, CA 90071, or such person or place as counsel for the SEC may direct in  
25 writing;

26 (D) Pursuant to Rule 36(a) of the Federal Rules of Civil Procedure, each  
27 Defendant shall respond to the SEC's requests for admissions within three days of  
28 such requests; and

(E) All written responses to the SEC's requests for discovery under the Federal Rules of Civil Procedure shall be delivered by hand or overnight courier to the SEC to the attention of Donald W. Searles, U.S. Securities and Exchange Commission, 444 S. Flower Street, Suite 900, Los Angeles, CA 90071, or such other place and person as counsel for the SEC may direct in writing.

XXI.

IT IS FURTHER ORDERED that this Temporary Restraining Order shall expire at \_\_\_\_\_ on 10/13, 2015, unless for good cause shown it is extended or the parties against whom it is directed consent that it may be extended for a longer period.

XXII.

IT IS FURTHER ORDERED that at \_\_\_\_\_ on \_\_\_\_\_, 2015, ~~or as soon~~ *Submission* thereafter as the parties may be heard, ~~the Defendants shall appear~~ *The parties need not appear.* before the Honorable R. Gary Klausner, Judge of the United States District Court for the Central District of California, to show cause, if there be any, why a preliminary injunction should not be granted. Any declarations, affidavits, points and authorities, or other submissions in support of, or in opposition to, the issuance of such an Order shall be filed with the Court and delivered to Donald W. Searles, U.S. Securities and Exchange Commission, 444 S. Flower Street, Suite 900, Los Angeles, CA 90071, and the offices of the Defendants or their attorneys no later than \_\_\_\_\_ on 10/07, 2015. Any reply papers shall be filed with the Court and delivered to opposing counsel no later than \_\_\_\_\_ on 10/07, 2015.

XXIII.

IT IS FURTHER ORDERED that this Temporary Restraining Order shall expire at \_\_\_\_\_ on 10/13, 2015 unless for good cause shown it is extended or the parties against whom it is directed consent that it may be extended for a longer period.

XXIV

The Court will take the matter under submission. The parties need not appear.

IT IS FURTHER ORDERED that at \_\_\_\_\_ on \_\_\_\_\_, 2015, or as soon thereafter as the parties may be heard, the Defendants, and each of them, shall appear before the Honorable R. Gary Klausner, Judge of the United States District Court for the Central District of California, to show cause, if there be any, why a preliminary injunction should not be granted. Any declarations, affidavits, points and authorities, or other submissions in support of, or in opposition to, the issuance of such an Order shall be filed with the Court and delivered to the SEC's Los Angeles office and the offices of the Defendants or their attorneys no later than \_\_\_\_\_ on 10/05 2015. Any reply papers shall be filed with the Court and delivered to opposing counsel no later than \_\_\_\_\_ on 10/07 2015. Service of all such papers shall be by electronic mail, facsimile, or personal service.

XXV.

IT IS FURTHER ORDERED that this Court shall retain jurisdiction over this action for the purpose of implementing and carrying out the terms of all orders and decrees which may be entered herein and to entertain any suitable application or motion for additional relief within the jurisdiction of this Court.

IT IS SO ORDERED.

SEP 28 2015

Dated: 2015

R. Gary Klausner  
UNITED STATES DISTRICT JUDGE

Presented by:  
Donald W. Searles  
Attorney for Plaintiff  
Securities and Exchange Commission





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Telephone: (323) 965-3998  
Facsimile: (213) 443-1904

UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA

SECURITIES AND EXCHANGE  
COMMISSION,

Plaintiff,

vs.

STEVE CHEN, USFIA, INC.,  
ALLIANCE FINANCIAL GROUP,  
INC., AMAUCTION, INC.,  
ABORELL MGMT I, LLC,  
ABORELL ADVISORS I, LLC,  
ABORELL REIT II, LLC, AHOME  
REAL ESTATE, LLC, ALLIANCE  
NGN, INC., APOLLO REIT I, INC.,  
APOLLO REIT II, LLC, AMKEY,  
INC., US CHINA CONSULTATION  
ASSOCIATION, and QUAIL RANCH  
GOLF COURSE, LLC

Defendants.

Case No. CV 15-07425 (RGK)(GJSx)

**PRELIMINARY INJUNCTION AND  
ORDERS: (1) FREEZING ASSETS;  
(2) APPOINTING A PERMANENT  
RECEIVER; (3) PROHIBITING  
THE DESTRUCTION OF  
DOCUMENTS; AND (4)  
REQUIRING ACCOUNTINGS**

Dkt. 11

This matter is before the Court on the Consents and Stipulations to Entry of  
Preliminary Injunction and Orders: (1) Freezing Assets; (2) Appointing a Permanent  
Receiver; (3) Prohibiting the Destruction of Documents; and (4) Requiring

1 Accountings of Defendants Steve Chen ("Chen"), and USFIA, Inc., Alliance  
2 Financial Group, Inc., Amauction, Inc., Aborell Mgmt I, LLC, Aborell Advisors I,  
3 LLC, Aborell REIT II, LLC, Ahome Real Estate, LLC, Alliance NGN, Inc., Apollo  
4 REIT I, Inc., Apollo REIT II, LLC, Amkey, Inc., US China Consultation Association,  
5 and Quail Ranch Golf Course, LLC ("the Entity Defendants") (collectively, "the  
6 Defendants").

7 The Court, having previously issued a Temporary Restraining Order and  
8 Orders: (1) Freezing Assets; (2) Appointing a Temporary Receiver; (3) Prohibiting  
9 the Destruction of Documents; (4) Granting Expedited Discovery; and (5) Requiring  
10 Accountings and Order To Show Cause Re Preliminary Injunction on September 28,  
11 2015 ("TRO"); and having considered the SEC's Complaint, the TRO Application,  
12 the supporting Memorandum of Points and Authorities, the supporting declarations  
13 and exhibits, the other evidence and argument presented to the Court, as well as the  
14 Consents and Stipulations, finds that:

15 A. This Court has jurisdiction over the parties to, and the subject matter of,  
16 this action.

17 B. Chen and the Entity Defendants have consented to the entry of a  
18 preliminary injunction on the terms below, and do not contest the  
19 appointment of a permanent receiver during the pendency of this action.

20 **I.**

21 IT IS HEREBY ORDERED that the parties' Consents and Stipulations are  
22 GRANTED.

23 **II.**

24 IT IS FURTHER ORDERED that Chen and the Entity Defendants and their  
25 officers, agents, servants, employees, attorneys, subsidiaries and affiliates, and those  
26 persons in active concert or participation with any of them who receive actual notice  
27 of this Order, by personal service or otherwise, and each of them, be and hereby are  
28

1 preliminarily restrained and enjoined, pending trial in this action, from directly or  
2 indirectly, in the absence of any applicable exemption:

3 A. unless a registration statement is in effect as to a security, making use of  
4 any means or instruments of transportation or communication in  
5 interstate commerce or of the mails to sell such security through the use  
6 or medium of any prospectus or otherwise;

7 B. unless a registration statement is in effect as to a security, carrying or  
8 causing to be carried through the mails or in interstate commerce, by any  
9 means or instruments of transportation, any such security for the purpose  
10 of sale or for delivery after sale; or

11 C. making use of any means or instruments of transportation or  
12 communication in interstate commerce or of the mails to offer to sell or  
13 offer to buy through the use or medium of any prospectus or otherwise  
14 any security, unless a registration statement has been filed with the SEC  
15 as to such security, or while the registration statement is the subject of a  
16 refusal order or stop order or (prior to the effective date of the  
17 registration statement) any public proceeding or examination under  
18 Section 8 of the Securities Act, 15 U.S.C. § 77h;

19 in violation of Section 5 of the Securities Act, 15 U.S.C. § 77e.

20 **III.**

21 IT IS FURTHER ORDERED that Chen and the Entity Defendants and their  
22 officers, agents, servants, employees, attorneys, subsidiaries and affiliates, and those  
23 persons in active concert or participation with any of them, who receive actual notice  
24 of this Order, by personal service or otherwise, and each of them, be and hereby are  
25 preliminarily restrained and enjoined, pending trial in this action, from directly or  
26 indirectly, in the offer or sale of any securities, by the use of any means or instruments  
27 of transportation or communication in interstate commerce or by the use of the mails:

28 A. employing any device, scheme or artifice to defraud;

1 B. obtaining money or property by means of any untrue statement of a  
2 material fact or any omission to state a material fact necessary in order to  
3 make the statements made, in light of the circumstances under which  
4 they were made, not misleading; or

5 C. engaging in any transaction, practice, or course of business which  
6 operates or would operate as a fraud or deceit upon the purchaser;  
7 in violation of Section 17(a) of the Securities Act, 15 U.S.C. § 77q(a).

8 IV.

9 IT IS FURTHER ORDERED that Chen and the Entity Defendants and their  
10 officers, agents, servants, employees, attorneys, subsidiaries and affiliates, and those  
11 persons in active concert or participation with any of them, who receive actual notice  
12 of this Order, by personal service or otherwise, and each of them, be and hereby are  
13 preliminarily restrained and enjoined, pending trial in this action, from directly or  
14 indirectly, in connection with the purchase or sale of any security, by the use of any  
15 means or instrumentality of interstate commerce, or of the mails, or of any facility of  
16 any national securities exchange:

17 A. employing any device, scheme or artifice to defraud;

18 B. making any untrue statement of a material fact or omitting to state a  
19 material fact necessary in order to make the statements made, in the light  
20 of the circumstances under which they were made, not misleading; or

21 C. engaging in any act, practice, or course of business which operates or  
22 would operate as a fraud or deceit upon any person;

23 in violation of Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5  
24 thereunder, 17 C.F.R. § 240.10b-5.

25 V.

26 IT IS HEREBY FURTHER ORDERED that Chen and the Entity Defendants  
27 and each of their agents, servants, employees and attorneys and those persons in  
28 active concert or participation with them who receive actual notice of this Order by

1 personal service or otherwise, including facsimile transmission, electronic mail, or  
2 overnight delivery service, are hereby preliminarily restrained and enjoined, from  
3 soliciting, accepting, or depositing any monies from actual or prospective investors in  
4 connection with any offering of securities.

5 **VI.**

6 IT IS FURTHER ORDERED that, except as otherwise ordered by this Court,  
7 Chen and the Entity Defendants and their officers, agents, servants, employees,  
8 attorneys, subsidiaries and affiliate, and those persons in active concert with them,  
9 who receive actual notice of this Order, by personal service or otherwise, and each of  
10 them, be and hereby are preliminarily restrained and enjoined, pending trial in this  
11 action, from, directly or indirectly, transferring, assigning, selling, hypothecating,  
12 changing, wasting, dissipating, converting, concealing, encumbering, or otherwise  
13 disposing of, in any manner, any funds, assets, securities, claims or other real or  
14 personal property, including any notes or deeds of trust or other interest in real  
15 property, wherever located, of any one of the Defendants, or their subsidiaries or  
16 affiliates, owned by, controlled by, managed by or in the possession or custody of any  
17 of them and from transferring, encumbering dissipating, incurring charges or cash  
18 advances on any debit or credit card of the credit arrangement of any one of the  
19 Defendants, or their subsidiaries and affiliates.

20 **VII.**

21 IT IS FURTHER ORDERED that, except as otherwise ordered by this Court,  
22 the freeze, previously ordered by the TRO, shall remain in place on all monies and  
23 assets (with an allowance for necessary and reasonable living expenses and/or  
24 attorney's fees (including attorney's fees for services rendered before Chen was  
25 served with the SEC complaint or TRO) to be granted only upon good cause shown  
26 by application to the Court with notice to and an opportunity for the SEC to be heard)  
27 in all accounts at any bank, financial institution or brokerage firm, or Internet or "e-  
28 commerce" payment processor, all certificates of deposit, and other funds or assets,

held in the name of, for the benefit of, or over which account authority is held by  
Chen and the Entity Defendants, including but not limited to the accounts listed  
below:

Bank Name	Account Name	Account Number
Bank of America	USFIA, Inc.	XXXX-XXXX-0123
Bank of America	USFIA, Inc.	XXXX-XXXX-7578
Bank of America	USFIA, Inc.	XXXX-XXXX-5882
Bank of America	USFIA, Inc.	XXXX-XXXX-6182
East West Bank	USFIA, Inc.	XX-XXXX7483
Bank of America	Steve Chen & Luyang Li	XXXX-XXXX-1550
Bank of America	Steve Chen & Luyang Li	XXXX-XXXX-7776
Far East National Bank	Li Chen a/k/a/ Steve Chen	XXXXXX5058
Chase Bank	Steve Chen	XXXXXX7818
Chase Bank	Wei He or Li Chen	XXXXXXX1716
Bank of America	Amauction, Inc.	XXXX-XXXX-7980

<b>Bank Name</b>	<b>Account Name</b>	<b>Account Number</b>
National Bank of California	Amauction, Inc.	XXX-XX1158
East West Bank	Amauction, Inc.	XX-XXXX8019
Bank of America	Ahome Real Estate, LLC	XXXX-XXXX-7811
Bank of America	Ahome Real Estate, LLC	XXXX-XXXX-9668
Bank of America	Amkey, Inc.	XXXX-XXXX-7970
Bank of America	Amkey, Inc.	XXXX-XXXX-8413
Bank of America	Amkey, Inc.	XXXX-XXXX-8465
Bank of America	Amkey, Inc.	XXXX-XXXX-8517
National Bank of California	Amkey, Inc.	XXX3589
Far East National Bank	Amkey, Inc.	XXXXXX0567
Bank of America	Aborell REIT II, LLC	XXXX-XXXX-3578
JPMorgan Chase	Aborell REIT II, LLC	XXX-XX7101

Bank Name	Account Name	Account Number
Bank of America	Aborell Management I, LLC	XXXX-XXXX-3688
Bank of America	Aborell Advisors I, LLC	XXXX-XXXX-3675
Bank of America	Alliance NGN, Inc.	XXXXXX-X0450
Bank of America	Alliance NGN, Inc.	XXXX-XXXX-9564
Bank of America	Alliance NGN, Inc.	XXXXXX-X7774
Bank of America	Alliance NGN, Inc.	XXXXXX-X8089
Bank of America	Apollo REIT I	XXXX-XXXX-0222
JPMorgan Chase	Apollo REIT II, LLC	XXX-XX7768
Bank of America	US China Consultation Association	XXXX-XXXX-6580
Bank of America	US China Consultation Association	XXXX-XXXX-5788



Bank Name	Account Name	Account Number
Bank of America	Alliance Financial Group	XXXX-XXXX-0086
Bank of America	Quail Ranch Golf Club, LLC	XXXX-XXXX-8268
Bank of America	Quail Ranch Golf Club, LLC	XXXX-XXXX-8226
Bank of America	Li Chen & Li Zhao	XXXXXX-X2299
Far East National Bank	Amkey, Inc.	XXX-XX0028
First Regional Bank	Amkey, Inc.	XXX-XX0048
First Regional Bank	Amkey VOIP	XXX-XX1813
Bank of America	Aborell Investment Associates I, LLC	XXXX-XXXX-3659
Torrey Pines Bank	Aborell REIT II, LLC	XXXXXX-X6620
Bank of America	Apollo Advisors I, LLC	XXXXXX-X0157
Bank of America	Apollo Investors	XXXX-X3662
Bank of America	Apollo Mgmt I, LLC	XXXXXX-X0171

Bank Name	Account Name	Account Number
Bank of America	Apollo REIT II, LLC	XXXXXX-X0203
HSBC	Alliance NGN, Inc.	XXXXXX9610
Bank of Nova Scotia	Ammine SRL	XXX0053

### VIII.

IT IS FURTHER ORDERED that, except as otherwise ordered by this Court, Chen and the Entity Defendants, and their officers, agents, servants, employees, attorneys, subsidiaries and affiliates, and those persons in active concert or participation with any of them, who receive actual notice of this Order, by personal service or otherwise, and each of them, be and hereby are preliminarily restrained and enjoined, pending trial in this action, from, directly or indirectly: destroying, mutilating, concealing, transferring, altering, or otherwise disposing of, in any manner, any documents, which includes all books, records, computer programs, computer files, computer printouts, contracts, emails, correspondence, memoranda, brochures, or any other documents of any kind in their possession, custody or control, however created, produced, or stored (manually, mechanically, electronically, or otherwise), pertaining in any manner to Chen and the Entity Defendants.

### IX.

IT IS FURTHER ORDERED that Chen and the Entity Defendants, are relieved of their obligation under the TRO to produce accountings with five (5) days of the issuance of the TRO, and instead, shall, within thirty (30) days of the issuance of this Order, prepare and deliver to the SEC a detailed and complete schedule of all of their

1 personal assets, including all real and personal property exceeding \$5,000 in value,  
2 and all bank, securities, and other accounts identified by institution, branch address  
3 and account number, wherever located. The accounting shall include a description of  
4 the sources of all such assets. Such accounting shall be filed with the Court and a  
5 copy shall be delivered to the SEC's Los Angeles Regional Office to the attention of  
6 Donald W. Searles, Trial Counsel. After completion of the accounting, each of the  
7 Defendants shall produce to the SEC's Los Angeles Regional Office, at a time  
8 agreeable to the SEC, all books, records and other documents supporting or  
9 underlying their accounting.

10 **X.**

11 IT IS FURTHER ORDERED that any person who receives actual notice of this  
12 Order by personal service or otherwise, and who holds, possesses or controls assets  
13 exceeding \$5,000 for the account or benefit of any one of the Defendants or the  
14 Funds, are relieved of their obligation under the TRO to produce accountings with  
15 five (5) days of the issuance of the TRO, and instead shall, within thirty (30)  
16 receiving actual notice of this Order, provide counsel for the SEC with a written  
17 statement identifying all such assets, the value of such assets, or best approximation  
18 thereof, and any account numbers or account names in which the assets are held,  
19 wherever located. After completion of the accounting, Chen and the Entity  
20 Defendants shall produce to the SEC at a time agreeable to the SEC, books, records  
21 and other documents supporting or underlying their accounting that are reasonably  
22 requested by the SEC.

23 **XI.**

24 IT IS FURTHER ORDERED that Thomas Seaman is appointed during the  
25 pendency of this action as permanent receiver of the Entity Defendants and their  
26 subsidiaries and affiliates, with full powers of an equity receiver, including, but not  
27 limited to, full power over all funds, assets, collateral, premises (whether owned,  
28 leased, occupied, or otherwise controlled), choses in action, books, records, papers

1 and other property belonging to, being managed by or in the possession of or control  
2 of the Receivership Entities and their subsidiaries and affiliates and that such receiver  
3 is immediately authorized, empowered and directed:

4 A. to have access to and to collect and take custody, control, possession,  
5 and charge of all funds, assets, collateral, premises (whether owned,  
6 leased, occupied, or otherwise controlled), choses in action, books,  
7 records, papers and other real or personal property, wherever located, of  
8 or managed by the Entity Defendants and their subsidiaries and  
9 affiliates, with full power to sue, foreclose, marshal, collect, receive, and  
10 take into possession all such property (including access to and taking  
11 custody, control, and possession of all property of the Receivership  
12 Entities property, and that of their subsidiaries and affiliates);

13 B. to have control of, and to be added as the sole authorized signatory for,  
14 all accounts of the entities in receivership, including all accounts at any  
15 bank, title company, escrow agent, financial institution or brokerage firm  
16 (including any futures commission merchant) which has possession,  
17 custody or control of any assets or funds of the Entity Defendants and  
18 their subsidiaries and affiliates, or which maintains accounts over which  
19 the Entity Defendants and their subsidiaries and affiliates, and/or any of  
20 its employees or agents have signatory authority;

21 C. to conduct such investigation and discovery as may be necessary to  
22 locate and account for all of the assets of or managed by the  
23 Receivership Entities and their subsidiaries and affiliates, and to engage  
24 and employ attorneys, accountants and other persons to assist in such  
25 investigation and discovery;

26 D. to take such action as is necessary and appropriate to preserve and take  
27 control of and to prevent the dissipation, concealment, or disposition of  
28 any assets of or managed by the Entity Defendants and their subsidiaries

1 and affiliates;

2 E. to make an accounting, as soon as practicable, to this Court and the SEC  
3 of the assets and financial condition of the Entity Defendants, and to file  
4 the accounting with the Court and deliver copies thereof to all parties;

5 F. to make such payments and disbursements from the funds and assets  
6 taken into custody, control, and possession or thereafter received by him  
7 or her, and to incur, or authorize the making of, such agreements as may  
8 be necessary and advisable in discharging his or her duties as receiver;

9 G. to employ attorneys, accountants, and others to investigate and, where  
10 appropriate, to institute, pursue, and prosecute all claims and causes of  
11 action of whatever kind and nature which may now or hereafter exist as  
12 a result of the activities of present or past employees or agents of the  
13 Entity Defendants and their subsidiaries and affiliates; and

14 H. to have access to and monitor all mail, electronic mail, and video phone  
15 of the Receivership Entities in order to review such mail, electronic mail,  
16 and video phone which he or she deems relates to their business and the  
17 discharging of his duties as receiver.

18 **XII.**

19 IT IS FURTHER ORDERED that the Entity Defendants and their officers,  
20 agents, servants, employees and attorneys, and any other persons who are in custody,  
21 possession or control of any assets, collateral, books, records, papers or other  
22 property of or managed by any of the entities in receivership, shall forthwith give  
23 access to and control of such property to the permanent receiver. This turn over  
24 requirement shall not constitute a waiver by Chen of his attorney-client or other  
25 applicable privileges.

26 **XIII.**

27 IT IS FURTHER ORDERED that no officer, agent, servant, employee or  
28 attorney of the Entity Defendants shall take any action or purport to take any action,

1 in the name of or on behalf of the Entity Defendants without the written consent of  
2 the receiver or order of this Court.

3 **XIV.**

4 IT IS FURTHER ORDERED that, except by leave of this Court, during the  
5 pendency of this receivership, all clients, investors, trust beneficiaries, note holders,  
6 creditors, claimants, lessors and all other persons or entities seeking relief of any  
7 kind, in law or in equity, from the Entity Defendants, or their subsidiaries or  
8 affiliates, and all persons acting on behalf of any such investor, trust beneficiary, note  
9 holder, creditor, claimant, lessor, consultant group or other person, including sheriffs,  
10 marshals, servants, agents, employees and attorneys, are hereby restrained and  
11 enjoined from, directly or indirectly, with respect to these persons and entities:

- 12 A. commencing, prosecuting, continuing or enforcing any suit or  
13 proceeding (other than the present action by the SEC or any other action  
14 by the government) against any of them;
- 15 B. using self-help or executing or issuing or causing the execution or  
16 issuance of any court attachment, subpoena, replevin, execution or other  
17 process for the purpose of impounding or taking possession of or  
18 interfering with or creating or enforcing a lien upon any property or  
19 property interests owned by or in the possession of the Entity  
20 Defendants; and
- 21 C. doing any act or thing whatsoever to interfere with taking control,  
22 possession or management by the temporary receiver appointed  
23 hereunder of the property and assets owned, controlled or managed by or  
24 in the possession of the Entity Defendants, or in any way to interfere  
25 with or harass the temporary receiver or his or her attorneys,  
26 accountants, employees, or agents or to interfere in any manner with the  
27 discharge of the receiver's duties and responsibilities hereunder.

28 **XV.**

1 IT IS FURTHER ORDERED that the Entity Defendants, and their subsidiaries,  
2 affiliates, officers, agents, servants, employees and attorneys, shall cooperate with  
3 and assist the receiver and shall take no action, directly or indirectly, to hinder,  
4 obstruct, or otherwise interfere with the permanent receiver or his or her attorneys,  
5 accountants, employees or agents, in the conduct of the temporary receiver's duties or  
6 to interfere in any manner, directly or indirectly, with the custody, possession,  
7 management, or control by the receiver of the funds, assets, collateral, premises, and  
8 choses in action described above.

9 **XVI.**

10 IT IS FURTHER ORDERED that the Entity Defendants and their subsidiaries  
11 and affiliates, shall pay the costs, fees and expenses of the permanent receiver  
12 incurred in connection with the performance of his or her duties described in this  
13 Order, including the costs and expenses of those persons who may be engaged or  
14 employed by the receiver to assist him or her in carrying out his or her duties and  
15 obligations. All applications for costs, fees, and expenses for services rendered in  
16 connection with the receivership (including applications for attorney's fees) other than  
17 routine and necessary business expenses in conducting the receivership, such as  
18 salaries, rent, and any and all other reasonable operating expenses, shall be made by  
19 application setting forth in reasonable detail the nature of the services and shall be  
20 heard by the Court.

21 **XVII.**

22 IT IS FURTHER ORDERED that no bond shall be required in connection with  
23 the appointment of the permanent receiver. Except for an act of gross negligence, the  
24 receiver shall not be liable for any loss or damage incurred by any of the defendants,  
25 their officers, agents, servants, employees and attorneys or any other person, by  
26 reason of any act performed or omitted to be performed by the receiver in connection  
27 with the discharge of his or her duties and responsibilities.

28 **XVIII.**

1 IT IS FURTHER ORDERED that representatives of the SEC and any other  
2 government agency are authorized to have continuing access to inspect or copy any  
3 or all of the corporate books and records and other documents of the Entity  
4 Defendants and continuing access to inspect their funds, property, assets and  
5 collateral, wherever located.

6 XIX.

7 IT IS FURTHER ORDERED that Chen and the Entity Defendants are relieved  
8 of their obligation to respond to the SEC's expedited discovery requests concerning  
9 Defendants, their assets and activities, and that discovery shall hereafter proceed in  
10 accordance with Rules 26, 30, 33, 34, 36, and 45 of the Federal Rules of Civil  
11 Procedure and the corresponding Local Rules of this Court.

12 XX.

13 IT IS FURTHER ORDERED that this Court shall retain jurisdiction over this  
14 action for the purpose of implementing and carrying out the terms of all orders and  
15 decrees which may be entered herein and to entertain any suitable application or  
16 motion for additional relief within the jurisdiction of this Court.

17  
18 IT IS SO ORDERED.



19  
20 Dated: October 6, 2015

21 HON. GARY KLAUSNER  
22 UNITED STATES DISTRICT JUDGE

23 Presented by:  
24 Donald W. Searles  
25 Attorney for Plaintiff  
26 Securities and Exchange Commission  
27  
28



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To ↗

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